



## Use of Temporary Agency Staff

04 February 2003

Report to the City Council

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# Use of Temporary Agency Staff

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## Use of Temporary Agency Staff

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## Use of Temporary Agency Staff

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## Use of Temporary Agency Staff

# Preface

By Councillor Mike Olley

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## Use of Temporary Agency Staff

# 1: Executive Summary

1.1.1 Agency temporary staff offer a great deal of flexibility to the Council in fulfilling urgent, short term needs for staffing. Despite proposed EC legislation, there will continue to be a role for agency staff in meeting the future human resource needs of the Council.

1.1.2 This review has found that the Council

- Spends a considerable amount on agency staff, estimated to be in the region of £ 14.2m, excluding spending on teachers and schools-based staff
- Generally employs agency staff for long periods of time
- Employs a significant proportion of agency administrative staff, as well as staff to deliver direct services

1.1.3 Within the Council's use of agency staff, there are a number of uses that represent a short-term solution to our needs to maintain a direct service. There are also areas of good practice, both in maintaining managerial control of use and ensuring that it is appropriate.

1.1.4 However, there is also some scope for improvement, as is

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# 2: Summary of Recommendations

	<b>Recommendation</b>	<b>Responsibility</b>	<b>Completion Date</b>
R1	<p>The processes by which departments plan to deliver the right number of people for the required level of service should be examined. This needs to take account of</p> <ul style="list-style-type: none"> <li>• The workload to deliver the service required</li> <li>• The budget available to do this</li> <li>• Challenging the need for operating with vacancies through choice</li> </ul>	Departmental Directors	31 March 2003
R2	<p>The number of unfilled funded vacancies and the time taken to fill vacancies should be measured and made a key performance indicator for all HR teams and line managers.</p>	Department Directors	31 March 2003
R3	<p>The continued employment of agency staff should be periodically reviewed at specified intervals. The three month / 12 weeks period identified in Housing is suggested for this. This review process should</p> <ul style="list-style-type: none"> <li>• Challenge the need for continued use, and</li> <li>• Question the sufficiency of actions to resolve the situation permanently</li> </ul>	Departmental Directors	31 March 2003
R4	<p>Implementation of new recruitment processes should be related directly to achieving a reduction in</p> <ul style="list-style-type: none"> <li>• The proportion of unfilled, funded vacancies</li> <li>• The time taken to fill vacancies</li> </ul>	Chief Personnel Officer	01 September 2003



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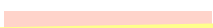
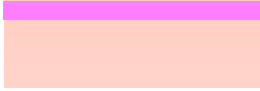
R5	<p>The Council should build upon existing good practice by establishing corporate guidelines for line managers. These should indicate corporate best practice in</p> <ul style="list-style-type: none"> <li>Evaluating the need for agency staff</li> <li>Specifying requirements to agencies</li> <li>Selecting agency staff</li> </ul> <p>and take account of</p> <ul style="list-style-type: none"> <li>The need to consider redeployees</li> <li>Best practice already identified in permanent staff recruitment and selection</li> </ul>	Chief Personnel Officer	31 March 2003
R6	<p>Developments regarding the proposed EC Directive on Temporary Agency Workers should be monitored corporately. At such time as an implementation date becomes clear, a corporate action plan should be prepared to</p> <ul style="list-style-type: none"> <li>Enable the Council to develop processes to meet the requirements of the Directive</li> <li>Change practices with agency staff use to avoid unnecessary cost</li> </ul> <p>This action plan should result in implementation of these measures by the time that the Directive comes into force.</p>	Chief Personnel Officer	Continuous throughout the development of the Directive. End timescale determined by the date of implementation of the Directive.
R7	<p>Where corporate contracts for procurement of agency staff are in place, these should be used. Progress towards achieving this should be monitored and realistic targets for on-contract spending established.</p>	Departmental Directors	31 March 2003
R8	<p>Corporate Procurement should</p> <ul style="list-style-type: none"> <li>Identify the areas where contracts are required for temporary agency workers, to comply with Standing Orders</li> <li>Agree specifications for the contracts with the relevant departments</li> <li>Progress the establishment of contracts</li> </ul>	Strategic Director, Resources	31 October 2003





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R9	<p>Corporate Procurement should give consideration to the establishment of Account Manager(s) for agency staff contracts. The Account Manager should be accountable for</p> <ul style="list-style-type: none"> <li>• Ensuring that the contracts in place continue to deliver our needs for agency staff</li> <li>• Regularly obtaining 360° feedback on the operation of the contract</li> <li>• Monitoring and challenging off-contract purchasing</li> <li>• Taking appropriate action to show demonstrable increases in on-contract purchasing</li> </ul> <p>If this role is not considered appropriate, other measures to achieve this should be developed and actioned.</p>	Strategic Director, Resources	31 March 2003
R10	<p>Corporate Procurement should explore further with agencies having dedicated staff on-site to resource the Council's temporary staff needs. This should include running a pilot exercise to see how effectively this can work.</p> <p>Progress on this should be reported to the Co-ordinating Overview and Scrutiny Committee.</p>	Strategic Director, Resources	31 March 2003
R11	<p>Consideration should be given to the method for recording and monitoring agency staff use corporately. This should deliver a system that is</p> <ul style="list-style-type: none"> <li>• Adequate to meet corporate needs for information</li> <li>• Appropriate in the context of a future EC Directive</li> <li>• Up and running as soon as possible (by 31 March 2003)</li> </ul>	Chief Personnel Officer	31 March 2003





## Use of Temporary Agency Staff

# 3: Introduction

## 3.1 Background

- 3.1.1 Birmingham City Council is a large employer, with nearly 50,000 staff employed across the City and a total paybill cost of around £1bn. Within a workforce of this size it is inevitable that there will be a great deal of variety of roles and variable rates of transition in the composition of the workforce.
- 3.1.2 Temporary staff agencies have become firmly established in the



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3.2.1

### 3.2 The Importance of the Issue

3.2.1

The issue of how the Council uses agency temporary staff is one of importance for a number of reasons, including:

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- Identify practices that can be used to ensure that the



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**4:**





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4.3.3 An implicit understanding of the concept of direct and indirect staff regulates these control mechanisms.

- **Direct staff** are those whereby if they are not employed, there will be an immediate impact on the overall product or service.
- **Indirect staff** may not be employed in the short term without affecting the product or service, but their absence will affect the product / service in the long term (such as

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attitude will be developed. If managers are not expected to manage the performance of their own staff, how can they realistically be expected to manage the performance of agency workers?

### 4.6 Standing Orders and Corporate Contracts

4.6.1

Standing Orders and Corporate Contracts



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- **Awareness:** Managers must be aware of the contract
- **Feedback:** Contract review requires feedback from the users. Managers can often more concerned with getting the job done than giving feedback
- **Reliance on Persuasion:** Whilst enforcing on-contract purchasing can be attempted, it is more effective to encourage use by selling and demonstrating the benefits to managers
- **Contract Specification:** Contracts are awarded on a price and quality basis. Where service needs differ from those specified in the contract, it may be necessary to go to another supplier
- **Quality Control:** Procurement contracts involve verifying that the supplier is reputable and complies with our organisational requirements

- 4.6.7 Off-Contract purchasing can result from these problems and undermines the worth of contract. This is because it potentially undermines the market position of the supplier. Ultimately, this can mean that the Council pays more to acquire the same service.
- 4.6.8 Given the size of the contracts involved with agency staff, ensuring that managers comply is no easy task. These are large and complex contracts to manage. However, resolving the problems that lead to purchasing off-contract does require understanding of the issues that drive it.
- 4.6.9 However, if no monitoring of contracts is undertaken, it will not be possible to identify the extent of problems and the best measures to effect real improvements in service through the contracts.
- 4.6.10 Lack of awareness and managers unnecessarily avoiding the use of contracts specifically designed to deliver value are not answers. Where we have such contracts in place, we should be using them.

### 4.7 The Proposed EC Directive

- 4.7.1 The European Commission published a proposed Directive to regulate the working conditions of temporary agency workers (TAWs) in March 2002<sup>3</sup>. The UK Department of Trade and Industry (DTI) concluded its consultation on this in October 2002.
- 4.7.2 The key effects of this proposal as it currently stands are:

<sup>3</sup> A more detailed examination of the proposed Directive is shown in **Appendix 3**.

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### 5.2 The Duration of Agency Staff Employment

5.2.1 The length of time that agency staff have been employed is shown in **Fig. 2**. In terms of duration, this shows that

- On average, agency staff in place have been employed for 259.37 calendar days
- The longest average durations were for those engaged in
  - Casual work (462 days)
  - Where multiple reasons for engagement were given (419 days)
  - Additional workload (323 days)
- Average durations were noticeably longer within the Development Directorate than other departments (484.43 days)

5.2.2 The length of time that agency staff had been employed for in the Council as a whole is categorised in **Fig. 3** below.

	04-Aug-02	11-Aug-02	18-Aug-02	25-Aug-02	01-Sep-02	08-Sep-02	15-Sep-02	22-Sep-02	Average Over 8 Weeks	% of All Agency Staff
< 3 months	267	278	259	245	206	220	224	151	231.25	37.20%
3 to 6 months	93	124	122	118	67	110	128	124	110.75	17.82%
6 to 12 months	120	163	126	172	166	171	165	119	150.25	24.17%
> 12 months	79	158	98	137	141	158	153	111	129.38	20.81%
<b>Total</b>	<b>559</b>	<b>723</b>	<b>605</b>	<b>672</b>	<b>580</b>	<b>659</b>	<b>670</b>	<b>505</b>	<b>621.63</b>	

**Fig. 3:** Length of Time Employed

*Source: Data from DPOs*

5.2.3 **Fig. 3** shows that over the period monitored, the majority (62.76%) of agency staff had been employed for more than three months. This indicates that the basic nature of agency staff in the Council tends towards longer term appointments.

5.2.4 **Fig. 2** shows that even for 'short-term' vacancy cover the average duration that agency staff have been in place is in excess of six months. Where agency staff are covering vacancies, the average date given for the post becoming vacant was 12 March 2002 – over six months.



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- 5.2.5 There are considerable timescales involved in agency staff covering vacancies. These indicate that there may be particular problems with either
- How we recruit staff or
  - How we attract and retain appropriate staff
- 5.2.6 This was acknowledged in the Scrutiny Review of *Recruitment and Retention*<sup>8</sup>, and it was recommended that
- “A Corporate Retention Strategy be brought forward as a matter of urgency, including guidance on the conduct of and analysis of information arising from exit interviews.”
- 5.2.7 Delivering this is not simply a matter of introducing a single strategy to retain staff. The reasons that people leave the Council are many and varied. Conducting exit interviews will not stop people leaving the Council; it simply identifies the reasons that they have given for doing so.
- 5.2.8 Consequently, this issue is being tackled by a range of HR strategies with a wider impact. These include better quality recruitment, better training and development and promoting better health.

### 5.3 Reasons for Using Agency Staff

- 5.3.1 **Fig. 2** illustrates the stated reasons for using agency staff and the average length of time that those staff had been engaged, by department<sup>9</sup>. This shows that during this period
- The main reasons given for using agency staff were long term vacancies (31.71%) and additional workload (12.99%)
  - Vacancies in total account for 42.93% of all agency staff use
- 5.3.2 It is not surprising that vacancies (short and long term) are one of the principal reasons for engaging agency staff. This was
- Felt by DPOs to be a key reason for using agency staff
  - Identified in the review of Recruitment and Retention
  - Highly prevalent within certain departments. Three departments (Central Units, Social Services, Housing and

<sup>8</sup> *Review of Recruitment and Retention*, Personnel and Organisation Scrutiny Committee, April 2001.

<sup>9</sup> This is for the period for which data was gathered (29 July to 22 September 2002).



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Environmental and Consumer Services), were using over



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5.3.8 In the past, there has probably been a combination of many of these factors, many of which do not match the requirements of the Council.



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Average No. of Agency Staff Employed		Kelly	Extra	Citistaff	Other Agencies	Average Temps Per Week
A	Clerical Assistant / Post Room Assistant	2.25	1.63			3.88
B	VDU Clerk	4.00				4.00
C	Senior VDU / Clerk , Finance Payments Clerk	0.75	0.88			1.63
D	Neighbourhood Office Assistant	4.63	13.50			18.13
E1	Word Processing / Admin	4.63				4.63
E2	Receptionist					
E3	Customer Service Operators	1.38	2.75			4.13
F1A	Secretary	17.75	1.13			18.88
F1B	Senior Secretary	2.75				2.75
F2	Legal Secretary	5.88	0.13			6.00
F3	Desk Top Publishing / Graphics	8.13				8.13
G	Personal Assistant		0.63			0.63
Other	Secretarial / Admin	13.88	2.00	41.38	120.00	177.25
<b>Total Secretarial / Admin</b>		<b>26.40%</b>	<b>9.05%</b>	<b>16.55%</b>	<b>48.00%</b>	<b>250.00</b>
Avg Cost per hour of Sec / Admin		£ 7.70	£ 7.32	£ 9.23	£ 10.90	
<b>Non-Secretarial / Admin</b>				<b>10.28%</b>	<b>89.72%</b>	<b>381.75</b>
Avg Cost per hour of Non-Sec / Admin				£ 10.85	£ 16.59	
<b>Total</b>		<b>10.62%</b>	<b>3.64%</b>	<b>12.97%</b>	<b>72.77%</b>	<b>621.63</b>

**Fig. 4:** Administrative / Secretarial Staff

*Source: DPOs*

5.4.5 It is relevant that the contract with Extra and Kelly was only commenced on 01 April 2002. In theory, all administrative and secretarial agency staff engaged from that date should therefore be from Extra and Kelly. Reasons to explain why this is not the case may include:

- Some agency staff who were employed before 31 March whose role continued probably would not have been terminated if they were performing satisfactorily
- Managers were not aware that the contract was in place
- Managers take a conscious decision to purchase off-contract because they don't feel that Extra or Kelly can deliver their needs (regardless of whether they have explored this with the agencies)

5.4.6 In the case of the latter two reasons above, this is akin to the general problems with procurement mentioned in paragraph 4.6.



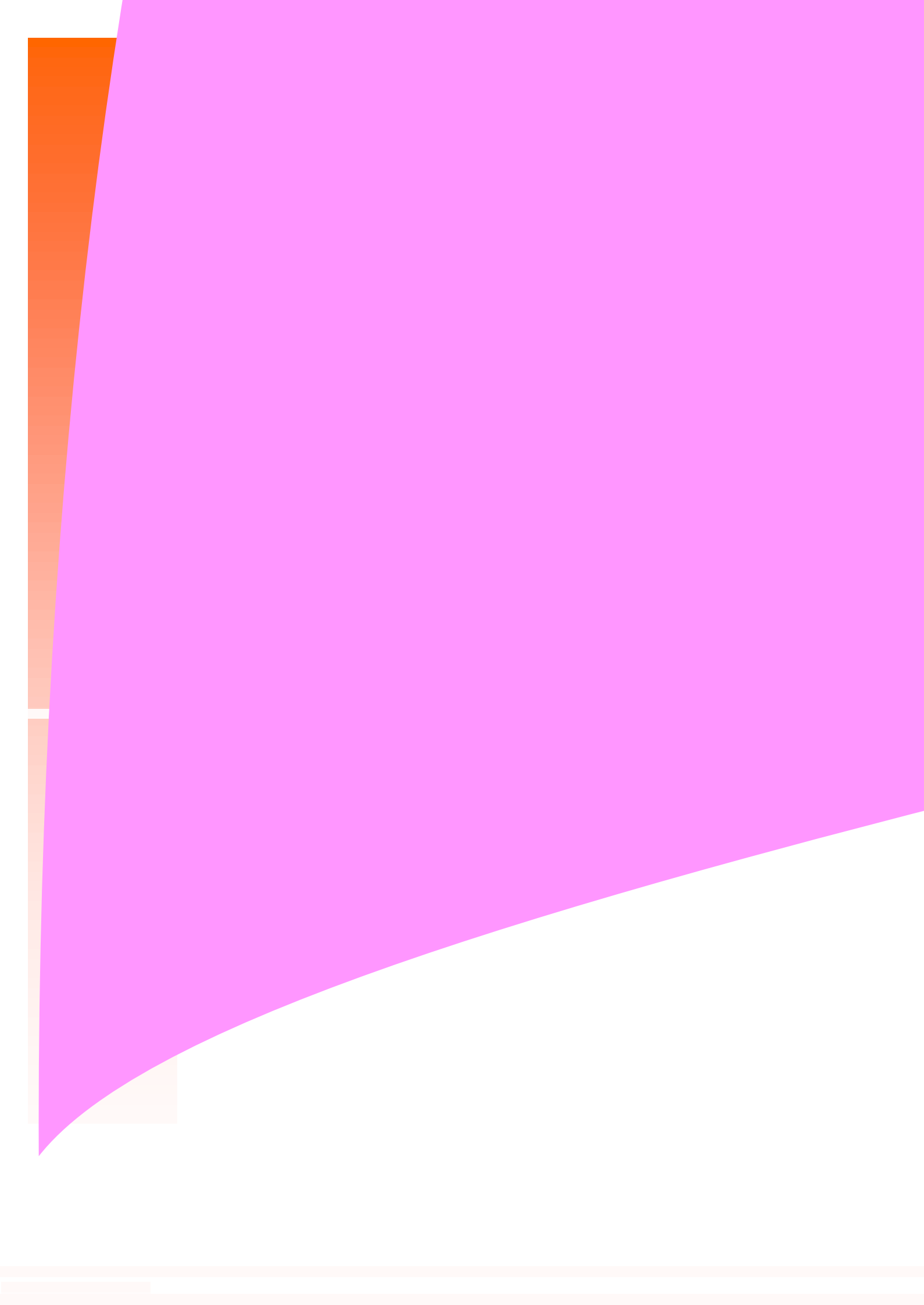




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5.4.12









## Use of Temporary Agency Staff

# 6: Ways Forward

## 6.1 Introduction

6.1.1 As the detail in the previous sections has demonstrated, the field of how agency staff are used within the Council is a complex one. How the Council can respond to the issues that this raises can be summarised as follows:

- Human Resource Strategy
- Control of Expenditure
- Planning HR Levels
- Recruitment and Selection
- Processes Regulating Selection
- The Proposed EC Directive
- How We Procure Agency Staff
- Information Needs

6.1.2 Each of these is dealt with in turn in the following sections.

## 6.2 HR Strategy

6.2.1 It has to be recognised that agency staff are one of the means by which we can meet a resourcing shortfall. It is important to recognise also that they are not the only means. In perspective, agency staff

- Are a means of delivering short term, interim HR needs at short notice
- Are one of a range of solutions to HR needs that are available
- Can at times be a considerable expenditure decision
- Can be cheaper than directly employed staff
- Are more generally expensive than directly employed staff



**0.6.2excluding teachers).**



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whereby we make a decision where a post is not covered or becomes vacant: do I need this post, and do I need it now?

6.3.5 This is a huge step in the way the Council operates, and as such is probably impossible to achieve in one bound. It is also significantly beyond the scope of this review. It involves

- Aligning the shape and structure of the organisation to the required outputs
- Developing the way of thinking among managers necessary to make this work
- Consistency first across departments and then across the Council as a whole
- Constant performance monitoring and management to ensure that it works

6.3.6 Nonetheless, if we are to move forward on how we plan to resource the Council, then it is a step that ultimately cannot be postponed.

	<b>Recommendation</b>	<b>Responsibility</b>	<b>Completion Date</b>
R1	<p>The processes by which departments plan to deliver the right number of people to deliver the required level of service should be examined. This needs to take account of</p> <ul style="list-style-type: none"> <li>• The workload to deliver the service required</li> <li>• The budget available to do this</li> <li>• Challenging the need for operating with vacancies through choice</li> </ul>	Departmental Directors	31 March 2003

## 6.4 Recruitment and Selection

6.4.1 Recruitment and selection processes have a significant impact on the duration (and therefore the overall cost) of employing agency staff. It is clear that recruitment and selection processes in part drive the need for agency staff.

6.4.2 It cannot be acceptable that this is the case. If we can the length of time we employ agency staff for there must be considerable scope for savings in this area. This has to be one of our immediate HR priorities, and there are already a number of changes in process that need to be implemented, especially in the area of recruitment.



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6.4.3 It is essential in relation to agency staff use that we ensure that these changes result in

- Speedier and planned recruitment
- Fewer unfilled funded posts, and
- Control over the length of time we employ agency staff for

	<b>Recommendation</b>	<b>Responsibility</b>	<b>Completion Date</b>
R2	The number of unfilled funded vacancies and the time taken to fill vacancies should be measured and made a key performance indicator for all HR teams and line managers.	Department Directors	31 March 2003
R3	The continued employment of agency staff should be periodically reviewed at specified intervals. The three month / 12 weeks period identified in Housing is suggested for this. This review process should <ul style="list-style-type: none"> <li>• Challenge the need for continued use, and</li> <li>• Question the sufficiency of actions to resolve the situation permanently</li> </ul>	Departmental Directors	31 March 2003
R4	Implementation of new recruitment processes should be related directly to achieving a reduction in <ul style="list-style-type: none"> <li>• The proportion of unfilled, funded vacancies</li> <li>• The time taken to fill vacancies</li> </ul>	Chief Personnel Officer	01 September 2003



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### 6.6 The Proposed EC Directive

- 6.6.1 There is little doubt that an EC Directive on the working conditions of agency staff will have a significant impact upon how the Council uses agency staff. The proposed Directive is likely to lead to increased costs for agency staff. However, it is uncertain when it will come into effect.
- 6.6.2 A Directive in this area is not on the immediate horizon. But there is little doubt that it is coming. Since this Directive is likely to lead to increased cost of agency staff, we must be prepared and in a positive position to meet its requirements and effects.

	<b>Recommendation</b>	<b>Responsibility</b>	<b>Completion Date</b>
R6	<p>Developments regarding the proposed EC Directive on Temporary Agency Workers should be monitored corporately. At such time as an implementation date becomes clear, a corporate action plan should be prepared to</p> <ul style="list-style-type: none"> <li>• Enable the Council to develop processes to meet the requirements of the Directive</li> <li>• Change practices with agency staff use to avoid unnecessary cost</li> </ul>		



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excluding teachers is estimated to be in excess of £14m, each type of agency staff procured (e.g. administrative and secretarial staff, financial staff, etc.) are sensibly viewed as discrete areas within this<sup>10</sup>.

6.7.3



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- 6.7.9 A robust mechanism for managing the quality of large procurement contracts is essential. If we are spending over £14m a year on a group of contracts, then we must ensure that we are getting what we want. If the contractors cannot deliver this, then we need to identify solutions. Ultimately, if they cannot deliver what we need, then we need to get new contractors.
- 6.7.10 This relies on good information about how contractors are performing. You cannot review a contract without adequate and balanced feedback on contractor performance. This is very difficult in an area where managers (i) only say something where they have a problem, and (ii) feel that they don't have time to give feedback – they need to concentrate on delivering the service.
- 6.7.11 One solution might be to establish the role of Account Manager for large contracts that we have in place<sup>11</sup>. The Account Manager then has responsibility for ensuring that (i) managers comply, not because they have to, but because it is the best option, and (ii) the contractor delivers what we require of them.
- 6.7.12 In the private sector one means of encouraging better contact and communication with temporary staff agencies with whom businesses have large contracts is to have staff from the agency 'on site'. This
- Reduces confusion over the contact point
  - Enables clearer communication of the Council's needs for staff
  - Reduces the likelihood of managers seeking to purchase from other sources
- 6.7.13 Committee members have recommended this for consideration as one of the ways of ensuring greater on-contract purchasing. This approach needs some careful consideration as to how this could work in terms of how it might operate in the context of
- A contract that is with more than one agency (such as the contract for Secretarial and Administrative staff), and
  - The multi-site nature of the Council's operation.
- 6.7.14 However, there are benefits to be realised within this idea and this needs to be explored in greater detail. It was felt that this should best be done through running a pilot exercise. It need not

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<sup>11</sup> Whilst the Procurement team do handle issues with the operation of contracts, this role is not specifically established at present.



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ultimately apply to all agency contracts, or indeed to all locations that those agencies resource.

- 6.7.15 Considering that nearly 40% of the Council's estimated £14.2m expenditure on agency staff is upon Secretarial and Administrative staff, there could be scope for this. In particular, since it can reasonably be expected that a significant proportion of these staff are hired by managers located in the Council's City Centre offices, this may not be as complex as it might at first appear.
- 6.7.16 The potential role that a 'City Council Staff Agency' might play in resolving some of the issues around agency staff has not been considered here. This is because we do not currently manage to

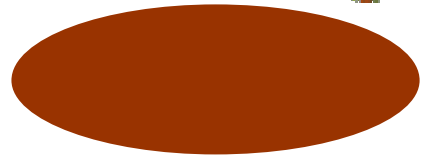


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- R9 Corporate Procurement should give consideration to the establishment of Account Manager(s) for agency staff contracts. The Account Manager should be accountable for
- Ensuring that the contracts in place continue to deliver our needs for agency staff
  - Regularly obtaining 360° feedback on the operation of the contract
  - Monitoring and challenging off-contract purchasing
  - Taking appropriate action to show contract purchasing



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- R12 Departments should consider their own information needs regarding agency staff. This should cover
- Facilitating an appropriate level of controlling use
  -







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### A1.2 Problems with Data Collection

- A1.2.1 How the data was collected for this review was considerably improved over the snapshot taken in March 2002 as part of *Managing Redeployment*. It was also possible to adopt many of the learning points from the previous review to improve the data obtained.
- A1.2.2 Specific problems encountered included:
- The departmental structure of the Council (and associated DPOs) is currently in transition.
  - There is not a standard means of recording information about agency staff across the Council.
  - Many departments do not monitor the use of temporary staff. To get this information required the DPOs to co-ordinate the information gathering, in many cases directly from the line managers making the employment decision.
  - It is necessary to accept that (unless otherwise indicated by the departments) the data is complete. Because this information is not routinely maintained, it cannot be verified.
  - The information cannot be routinely verified against GLAMIS. GLAMIS records expenditure as invoices are paid, not incurred.



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### A1.3 Who is Included and Where?

A1.3.1 To address the issue of the current transition of departments from the former structure to the future one, the structure shown in the below table was used for data. Where a 'Directorate' is referred to, it includes data from the departments shown on the right.

Directorate / Department	Departments Included
Chief Executive's Office	<ul style="list-style-type: none"> <li>• Chief Executive's Office</li> <li>• Legal Services</li> <li>• Register Office</li> </ul>
Development Directorate	<ul style="list-style-type: none"> <li>• Economic Development</li> <li>• Highways and Transportation Strategy</li> <li>• Planning</li> <li>• Shared Management Services</li> <li>• Urban Design</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Education</li> </ul>
Environmental and Consumer Services	<ul style="list-style-type: none"> <li>• Environmental and Consumer Services</li> </ul>
Housing	<ul style="list-style-type: none"> <li>• Housing</li> </ul>
Leisure and Culture	<ul style="list-style-type: none"> <li>• Leisure and Culture</li> </ul>
Resources Directorate	<ul style="list-style-type: none"> <li>• Central Personnel</li> </ul>





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Missing Data	Assumptions Made
Start Date	<ul style="list-style-type: none"> <li>The average start date for temps within the department for whom information was available was assumed (see the below table for the assumed values).</li> <li></li> </ul>
End Date	<ul style="list-style-type: none"> <li>The average end date for temps within the department for whom information was available was assumed (see the below table for the assumed values)<sup>13</sup>.</li> <li></li> </ul>
Cost Per Hour	<ul style="list-style-type: none"> <li>The average cost per hour for temps within the department for whom information was available was assumed (see the below table for the assumed values).</li> <li></li> </ul>
Hours Employed	<ul style="list-style-type: none"> <li>The average number of hours employed for temps within the department for whom information was available was assumed (see the below table for the assumed values).</li> <li>Where this was given in a number of days, each day was assumed to be 7.3 hours (7 hours 18 minutes).</li> <li>Where this was given in a range of hours (e.g. 21 – 28 hours), this was assumed to be the mid-point of the range.</li> <li>Where the temp worked on a job share basis such as every other week, the number of hours worked in weeks where they did not work was entered as zero.</li> <li></li> </ul>

**Fig. 8:** General Working Assumptions

A1.4.3 Where no departmental average was available (for Environmental and Consumer Services for End Date and Hours Employed), the average of all Council departments was assumed.

<sup>13</sup> The exception is for two members of staff employed in Leisure and Culture who started after the average end date for the department (05 Sep 02). In this case, the average duration for all Leisure and Culture agency temps was assumed (290.26 days).

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A1.6.3 Unfortunately, this did not completely have the intended effect of



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Reason / Consequence:	Adjustment:
Reason 1 & 2 (Short and long term vacancy cover)	Included within Reason Code 2 (Long Term)
Other Multiple Reason Codes Given	Included within Reason Code 12 (Multiple Reasons)
No Reason Code Given	Included within Reason Code 13 (No Reason Given)
Multiple Consequence Codes Given	Included within Consequence Code I (Multiple Consequences)
No Consequence Code Given	Included within Consequence Code J (No Consequence Given)

**Fig. 10:** Reason / Consequence Adjustments

Code	Reason	Possible causes
1	Short-term Vacancy Cover	<ul style="list-style-type: none"> <li>• Interim cover of a vacancy, whilst recruitment takes place</li> <li>• Interim Cover due to recruitment difficulties</li> <li>• Cover of vacancy - reason not specified</li> </ul>
2	Long-term Vacancy Cover	<ul style="list-style-type: none"> <li>• Unable to recruit suitably qualified staff</li> </ul>
3	Maternity Cover	<ul style="list-style-type: none"> <li>• Interim cover of a vacancy, whilst post occupant is on Maternity Leave</li> </ul>
4	Short-term Sickness	<ul style="list-style-type: none"> <li>• Covering absence of less than four weeks</li> </ul>
5	Sickness	<ul style="list-style-type: none"> <li>• Covering absence of four weeks or more</li> </ul>
6	Secondment or Career Break	<ul style="list-style-type: none"> <li>• Interim cover of a vacancy, whilst post occupant is on Secondment or Career Break</li> </ul>
7	Casual	<ul style="list-style-type: none"> <li>• Work of a temporary nature to cover seasonal peaks in workload</li> <li>• For specific short-term projects, with irregular patterns of hours (e.g. consultation, surveying)</li> </ul>
8	Project Role	Specific fixed term posts within a project Roles whose existence is finite (such as New Deal or Student Placements)
9	Additional W	Additional posts to clear a backlog of work To cover short-term variations in workload







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# Appendix 2: Data Accuracy

## A2.1 Estimated Annual Costs

- A2.1.1 The last time that data was collected for the Council as a whole was in period 3, 2002-3 by Central Personnel. At this time, the total spend on agency staff from April to June 2002 was
- £ 2,870,543 excluding teachers
  - £ 2,116,184 for teachers
  - £ 4,986,727 in total<sup>14</sup>
- A2.1.2 The cost of agency staff estimated from the over the timescale of



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spend for the entire year would give a projection of £ 14,206,910 for the year.

### **A2.2 Sources of Variation**

A2.2.1

The estimate given in A2.1.5 above may vary from actual expenditure where

- Use of agency staff in the periods for which there is data is seasonally high
- Invoices for the appropriate period are not yet entered into GLAMIS, and therefore the figure is not complete
- Agency staff expenditure is not correctly coded on GLAMIS
-





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A2.3.2 The second area in which the data provided had to be modified was in the reason and consequences given by departments (see paragraph A1.6). This is shown in **Fig. 14** below.

Average Agency Headcount per Week	Reason Code Assumed	Consequence Code Assumed	Role Details Not Given / Indeterminate



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# Appendix 3: European Commission Proposal for a Directive on Working Conditions for Temporary Agency Workers

### A3.1 The Proposed Directive

A3.1.1 The European Commission proposed a directive to regulate the working conditions of temporary agency workers (TAWs) on 20 March 2002. This proposal follows on from two previous subjects contained within the 1995 social partner consultation regarding 'atypical' work. The other two subjects were directives on

- Part Time Working (1997), and
- Fixed Term Work (1999)

A3.1.2 The proposals provide for

- The principle of non-discrimination to be extended to agency temporary work (for assignments that are expected to extend beyond six weeks)
- At least as favourable treatment as a 'comparable worker'
- Basic working conditions (similar to provisions in the Working Time Directive, regarding times of work, rest periods, holidays and so forth)
- Temporary workers with a permanent contract with an agency (i.e. they are paid in between assignments) are excluded
-

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### A3.2 Likely Effects of the Directive on BCC

A3.2.1 Looking at the contract for secretarial and admin staff, on average the price we pay is 34.10% more than the wage that the temp receives. The remainder comprises employers' National Insurance and pension contributions, probably totalling at most an additional 25%, and agency profit. The DTI estimates that agencies will pass on 80% of their increased costs. We could therefore expect the cost of temporary staff to be at least 7% more than directly employing, with the main benefit being the flexibility of engagement.

A3.2.2